

March 19, 2025

To Whom It May Concern

Company Name: NAGASE & CO., LTD.
Representative: Hiroyuki Ueshima,
Representative Director, President and CEO
Stock Exchange Listings:
Tokyo (Prime Market) Code 8012
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Notice Regarding Acquisition of the SACHEM high-purity chemicals Business for Semiconductors in Asia (and Conversion to Subsidiary)

At a meeting held on March 18, 2025, the NAGASE & CO., LTD. (hereinafter referred to as “NAGASE”) Board of Directors approved a resolution to acquire the Asian business of SACHEM, Inc. related to high-purity chemicals for semiconductors (hereinafter referred to as "the business"). The business in question includes five SACHEM subsidiaries. Of these subsidiaries, the capital of SACHEM Wuxi Co., Ltd. is in excess of 10% of NAGASE's capital, and, therefore, NAGASE will make said company a specified subsidiary.

1. Reason for the Business Acquisition

The growth story of Medium-Term Management Plan **ACE 2.0** describes the four business categories of *Foundation, Focus, Development, and Improvement* under which the Company engages in trading, manufacturing, and research functions. The manufacturing function in the semiconductor area is one of our *Focus* businesses.

SACHEM possesses advanced technologies and expertise in catalysts, specialty chemicals, and highly pure chemicals. NAGASE, wholly owned subsidiary Nagase ChemteX, and SACHEM created a joint venture, SN Tech Corporation, which has engaged in the collection and recycling of high-purity chemicals used in semiconductor manufacturing.

NAGASE intends to acquire the business (which includes SN Tech) and expand its semiconductor business to strengthen our position as a semiconductor materials manufacturer in the semiconductor market, which we expect will continue to grow. Further, we intend to integrate the NAGASE Group manufacturing and development technologies for leading edge semiconductor materials to develop materials and equipment for advanced semiconductors.

NAGASE expects to pay 101 million dollars (US) to acquire the business in question. The final share transfer price will be determined after making adjustments to take account of net interest-bearing debt of the business as provided in the Stock Purchase Agreement.

2. Financial Position and Operating Results for the Most Recent Three Years (Business to be Acquired)

Fiscal year ended	December 2021	December 2022	December 2023
Net assets	6,467 million yen	6,938 million yen	8,768 million yen
Total assets	11,902 million yen	12,441 million yen	12,682 million yen
Gross profit	1,983 million yen	2,006 million yen	1,705 million yen
Operating income	858 million yen	721 million yen	253 million yen
Income before income taxes	938 million yen	667 million yen	239 million yen
Net income	675 million yen	471 million yen	182 million yen

*Simple addition. No consolidations or eliminations.

*Entities to be acquired:

The SACHEM Taiwan branch office and SACHEM Wuxi Co., Ltd.; SACHEM Korea Ltd.; SACHEM Japan Holding GK; SACHEM Japan GK, and SN Tech Corporation.

3. Overview of Intended Specified Subsidiary (SACHEM Wuxi)

(1) Name	SACHEM Wuxi Co., Ltd.		
(2) Location	116 Meiyu Road, New District, Wuxi, People's Republic of China		
(3) Representative name and title	Li Min, Chairman		
(4) Business lines	Production of high-purity chemicals related to catalysts, specialty chemicals and electronics. Research and development of other production processes, after-sales technical services, etc.		
(5) Capital	23.0 million dollars (US)		
(6) Date of establishment	May 12, 2006		
(7) Major shareholders and ownership ratios	SACHEM Mauritius Holdings Ltd. 100.0%		
(8) Relationship with NAGASE	Equity relationship	No equity relationship exists between NAGASE and SACHEM Wuxi. NAGASE and SACHEM, parent of SACHEM Wuxi, established a joint venture, SN Tech.	
	Personal relationships	No personal relationships exist between NAGASE and SACHEM Wuxi. An employee of NAGASE serves concurrently as a director of SN Tech, mentioned above.	
	Business relationships	No existing business relationships to be noted.	
(9) Financial position and operating results for the most recent three years (1 yuan =20 yen)			
Fiscal year ended	December 2021	December 2022	December 2023
Net assets	190 million yuan (3,815 million yen)	201 million yuan (4,025 million yen)	285 million yuan (5,701 million yen)
Total assets	396 million yuan (7,939 million yen)	418 million yuan (8,376 million yen)	400 million yuan (8,009 million yen)
Gross profit	66 million yuan (1,335 million yen)	62 million yuan (1,244 million yen)	56 million yuan (1,125 million yen)
Operating income	25 million yuan (509 million yen)	15 million yuan (305 million yen)	0 million yuan (16 million yen)
Income before income taxes	25 million yuan (509 million yen)	13 million yuan (269 million yen)	0 million yuan (18 million yen)
Net income	18 million yuan (379 million yen)	10 million yuan (209 million yen)	1 million yuan (28 million yen)

4. Overview of Counterparty to Share Acquisition)

(1) Name	SACHEM Mauritius Holdings Ltd.	
(2) Location	c/o IQ EQ Fund Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis 11324 MAURITIUS	
(3) Representative name and title	Not disclosed according to the terms of the agreement.	
(4) Business lines	Management of SACHEM Wuxi Co., Ltd. Stock	
(5) Capital	23.015 million dollars (US)	
(6) Date of establishment	September 2005	
(7) Net assets (consolidated)	22.987 million dollars (US)	
(8) Total assets (consolidated)	23.059 million dollars (US)	
(9) Major shareholders and ownership ratios	SACHEM Inc. 55% SACHEM Holdings B.V. 45%	
(10) Relationship with NAGASE	Equity relationship	No equity relationship exists between NAGASE and SACHEM Wuxi. NAGASE and SACHEM, parent of SACHEM Wuxi, established a joint venture, SN Tech.
	Personal relationships	No personal relationships exist between NAGASE and SACHEM Wuxi. An employee of NAGASE serves concurrently as a director of SN Tech, mentioned above.
	Business relationships	No existing business relationships to be noted.
	Related-party status	No relationship as related parties.

5. Overview of the Parent to the Counterparty to Share Acquisition

(1) Name	SACHEM, Inc.	
(2) Location	Monterey Oaks Office, 5700 South Mopac Expressway, Bldg. B, Suite 200, Austin, TX, USA	
(3) Representative name and title	Rosemary Hoffman, President and CEO	
(4) Business lines	Catalysts and specialty chemicals, high-purity chemicals, etc.	
(5) Capital	Not disclosed according to the terms of the agreement.	
(6) Date of establishment	January 1965	
(7) Net assets (consolidated)	Not disclosed according to the terms of the agreement.	
(8) Total assets (consolidated)	Not disclosed according to the terms of the agreement.	
(9) Major shareholders and ownership ratios	Not disclosed according to the terms of the agreement.	
(10) Relationship with NAGASE	Equity relationship	No equity relationship exists between NAGASE and SACHEM Wuxi. NAGASE and SACHEM established a joint venture, SN Tech.
	Personal relationships	No personal relationships exist between NAGASE and SACHEM Wuxi. An employee of NAGASE serves concurrently as a director of SN Tech, mentioned above.
	Business relationships	No existing business relationships to be noted.
	Related-party status	No relationship as related parties.

6. Number of Shares to be Acquired, Acquisition Price, and Ownership Ratio Before and After Acquisition

(1) Ownership ratio prior to acquisition	SACHEM Wuxi Co., Ltd.: 0%
(2) Number of shares to be acquired	SACHEM Wuxi Co., Ltd.: 100%
(3) Ownership ratio after acquisition	SACHEM Wuxi Co., Ltd.: 100%

7. Schedule

(1) Board of director resolution	March 18, 2025
(2) Agreement execution date	March 19, 2025
(3) Equity interest transfer date	April 15, 2025 (scheduled)

8. Future Outlook

The transfer of equity interest is scheduled to be conducted during the fiscal year ending March 31, 2026.

Accordingly, the impact of this transaction on the Company's operating results for the fiscal year ending March 31, 2025, is expected to be minimal. We will promptly disclose any new matters that arise requiring disclosure.

End

(Reference Information) Financial condition and operating results for the fiscal year ended December 31, 2023
(excluding companies listed in 3., above)

	SACHEM Korea Ltd. (1 won = 0.112 yen)	SACHEM Japan Holding GK	SACHEM Japan GK	SN Tech
Net assets	238 million won (26 million yen)	634 million yen	1,874 million yen	531 million yen
Total assets	427 million won (47 million yen)	640 million yen	3,333 million yen	651 million yen
Gross profit	278 million won (31 million yen)	-	474 million yen	74 million yen
Operating income	144 million won (16 million yen)	-	184 million yen	36 million yen
Income before income taxes	144 million won (16 million yen)	-	169 million yen	36 million yen
Net income	132 million won (14 million yen)	(0) million yen	116 million yen	23 million yen

Businesses in Asia to be acquired



Date of agreement execution date:
March 19, 2025

Date of equity interest transfer date:
April 15, 2025(scheduled)

Business partner who has operated SN Tech as a joint venture in Japan.

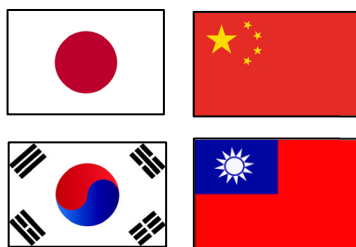
Develops and manufactures various high-purity chemicals in addition to possessing technologies essential for the recovery and regeneration of tetramethylammonium hydroxide (hereinafter referred to as TMAH), one of the developing solutions used in the manufacturing process of semiconductors and flat panel displays, as well as for the production of TMAH.

- SACHEM will continue to operate outside of Asia, and we will continue to operate in the regions included in this acquisition.
- SN Tech (SACHEM Japan GK60%, Nagase ChemteX 5%, NAGASE 35%) to become a wholly owned subsidiary of NAGASE.

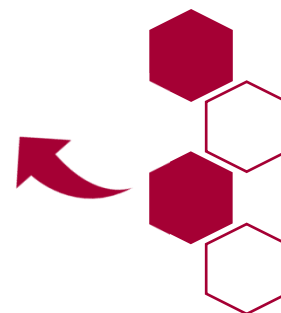
Target Areas and Target Products/Technologies

Acquisition amount *
101 million USD

Asian region (Japan, China, Korea, Taiwan) with strong semiconductor manufacturers



As a result of the acquisition of this project
Products and technologies to be offered



Green TMAH (regenerated TMAH)

TMAH recovery and recycling facilities

High purification technology for various chemicals

Next Generation Process Chemical Development Technology

- Accelerate TMAH Recovery and Recycling Business in Asia through NAGASE 's network, and accumulate knowledge.
- In other regions, including the U.S., we plan to develop business in cooperation with SACHEM.

* The final share transfer price will be determined after making adjustments to take account of net interest-bearing debt of the business as provided in the Stock Purchase Agreement.



Positioning and Aims in the Semiconductor Business

Acquisition of Missing Parts

Solving the semiconductor industry's growing need for environmental solutions with materials

As demand for semiconductors expands, **reducing the environmental impact of semiconductor manufacturing processes** is becoming an **important** issue for **customers**.

SN Tech's TMAH recovery and recycling business is one of the solutions to this problem. **TMAH's management and manufacturing technology and recovery/recycling technology to be acquired** through this transaction **will solve customers' problems**. We are acquiring the **Missing Parts of the Puzzle**, which is essential for the solution, and we will develop it into a de facto standard.



Synergy Effect

- ▶ Expand our Group's portfolio and position in the semiconductor materials business by integrating Nagase ChemteX's technology and product lineup.
- ▶ Leverage new technologies to develop new materials for next-generation semiconductor front-end processes with business partners.



Manufacture of LMC*, the de facto standard in advanced semiconductor back-end processes



Business relationships with over 300 semiconductor-related companies

NAGASE's Semiconductor Business Strategy

We aim to be an indispensable partner by pursuing **Unique Niches** that differentiate us from competitors.

- ➔ We **identify** areas that may be small today but have strong growth potential, **develop** them using NAGASE's resources, and **expand** them into the de facto standard in the market.

*Liquid Molding Compound